



## Tennessee Interfaith Power & Light

*A Spiritual Response to Climate Change*

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To: Charles P. Nicholson, NEPA Project Manager of TVA  
From: Tennessee Interfaith Power and Light  
Re: TVA Draft Integrated Resource Plan comments  
Date: April 27, 2015  
Contact: Louise Gorenflo (lgorenflo@gmail.com)

Tennessee Interfaith Power & Light thanks TVA for the opportunity to submit comments on its draft Integrated Resource Plan (IRP.) TIPL seeks effective climate protection policies while protecting the most vulnerable populations from the effects of climate change.

**Value of IRP Stakeholder Process:** The TVA IRP stakeholder process is the envy of citizens within the southeastern region and elsewhere. Stakeholder access to information is impressive and most welcome. Other utilities with a much more internal process can learn from TVA how to do it better.

**New Reliance on Natural Gas Compromises Benefits of Closing Coal Plants:** Generation of electricity is the major source of the carbon pollution driving climate change. We recognize TVA's efforts to reduce its carbon emissions by closing coal plants, yet its new reliance on natural gas, another fossil fuel, compromises the benefits of reducing its dependence on coal.

**Modeling Energy Efficiency as a Resource:** The 2015 Integrated Resource Plan process for the first time models energy efficiency as a resource that competes against other energy sources to determine the least cost means of meeting the energy demands of the Tennessee Valley. This recognition of energy efficiency as a resource is a major step for TVA.

**Distortion of Energy Efficiency Data Inputs:** TVA has shown great leadership in its development of the means to model energy efficiency as a resource within its IRP process. Yet, as it is with any computer program, the quality of the output depends upon the quality of the input. We are disappointed that the energy efficiency inputs into the model did not reflect the national utility experience with energy efficiency. Others have repeatedly pointed out to TVA how it has seriously distorted the model's results by the high risk factors assigned to energy efficiency as a resource and the forcing of an inordinately slow ramp rate.

Because of these serious flaws, the question arises about the fundamental value of the IRP to the planning process. Within a truly open and unbiased effort to discover the least cost path for its energy future, a utility would input information that most closely reflects what is actually experienced. By skewing information about energy efficiency's risks and costs and by seriously restricting its growth rate, TVA has sabotaged its own efforts to find its least cost energy path into the future. TVA has allowed its own internal cultural preferences to influence the energy efficiency results, thus distorting the IRP process and effectively diminishing the value of this energy planning exercise.

**Inadequate Level of Energy Savings within IRP:** The levels of energy efficiency in the draft TVA IRP provide a modest level of energy-saving opportunity for the residents, commercial businesses, and industries of the

Tennessee Valley. However, the level of savings within the 2015 IRP is less than the 2011 IRP energy efficiency inputs.

**Decisions Outside IRP Process Undermined Purpose and Value of the IRP:** While the IRP stakeholder process was in process, TVA made decisions that undermined the purpose and value of the IRP. The TVA board made decisions for a 1600 MW gas plant to replace the Allen coal plant, a 1000 MW gas plant to replace the Paradise coal plant, and to purchase a 400 MW combustion turbine plant. TVA essentially preempted the IRP process.

With the Watts Bar nuclear plant and the two natural gas plants coming online, TVA will be awash with overcapacity. There will no need for TVA to invest in energy efficiency because it will have more power than it needs for years to come.

Thus, TVA left no “capacity need space” in which energy efficiency could act to reduce the need. With this overcapacity of power, TVA would have no appetite to pursue a program that would reduce the need for power and potentially strand expansive generation units. Thus TVA has obviated the need for any substantial energy efficiency program, seriously diminishing ratepayer opportunity to protect themselves from the high power bills of temperature extremes. And if for some reason the price of natural gas should seriously escalate, ratepayers will be in an even more perilous predicament.

**Valley Residential Need for Energy Efficiency:** Efforts to promote energy efficiency and conservation could free up purchasing power for discretionary household purchases and improve the quality of life for Tennesseans and the environment. Even though our rates may be lower than the national average, Tennesseans have high bills because we rely so heavily on electricity and waste so much of it.

Households within the TVA service area tend to rely on electricity for heating, air conditioning, water heating, and cooking much more than households elsewhere in the Southeast and nationally. Tennessee is second only to Alabama in how much electricity households use, exceeding the national average by 140%. Compared to other states, Tennessee households bear relatively high annual energy costs because of the quality of the housing stock and wide temperature fluctuations over the course of the year. Because the Tennessee household income is below the national average, electricity costs represent a relatively large share of the Tennessee household budget.

Increased levels of TVA energy efficiency are crucial to the people and businesses of the Tennessee Valley and to the urgent climate protection imperative to reduce carbon emissions. Up to 60% of electricity used by TVA residential end-users is used to heat and cool homes. Climate change is driving the need for increased heating and cooling of homes. Without adequate weatherization, our power bills will skyrocket from extreme temperature events.

For the half of Tennesseans with adequate income, high power bills are annoying but not life-changing. For the rest of Tennesseans, high power bills can decimate a household budget and lead to eviction if power is shut off for renters. Power bills in the aftermath of extreme temperatures can take more than 70% of a lower income’s budget.

For the benefit of all ratepayers within your service area, TIPL urges TVA to become the leader of energy efficiency within the Southeast.

**Resources:** [Profile of Energy Sector in Tennessee](#), Dr. Matt Murray, Howard Baker Center, January 2015; [Knox County Energy Burden](#), Louise Gorenflo, Tennessee Interfaith Power & Light, 2014.